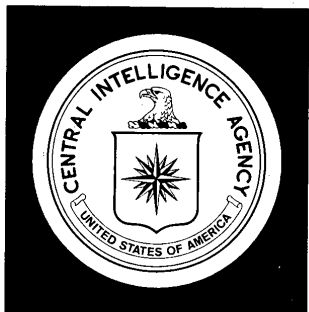




The President's Daily Brief

30 August 1972

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THE PRESIDENT'S DAILY BRIEF

30 August 1972

PRINCIPAL DEVELOPMENTS

In Vietnam, sharp fighting is taking place in Quang Tri and Quang Nam provinces as South Vietnamese forces try to regain lost territory. Photography indicates that two of the three petroleum pipelines from China to North Vietnam are operational. (Page 1)

Tokyo's contacts with Peking are increasing in anticipation of Prime Minister Tanaka's forthcoming visit to China. (Page 3)

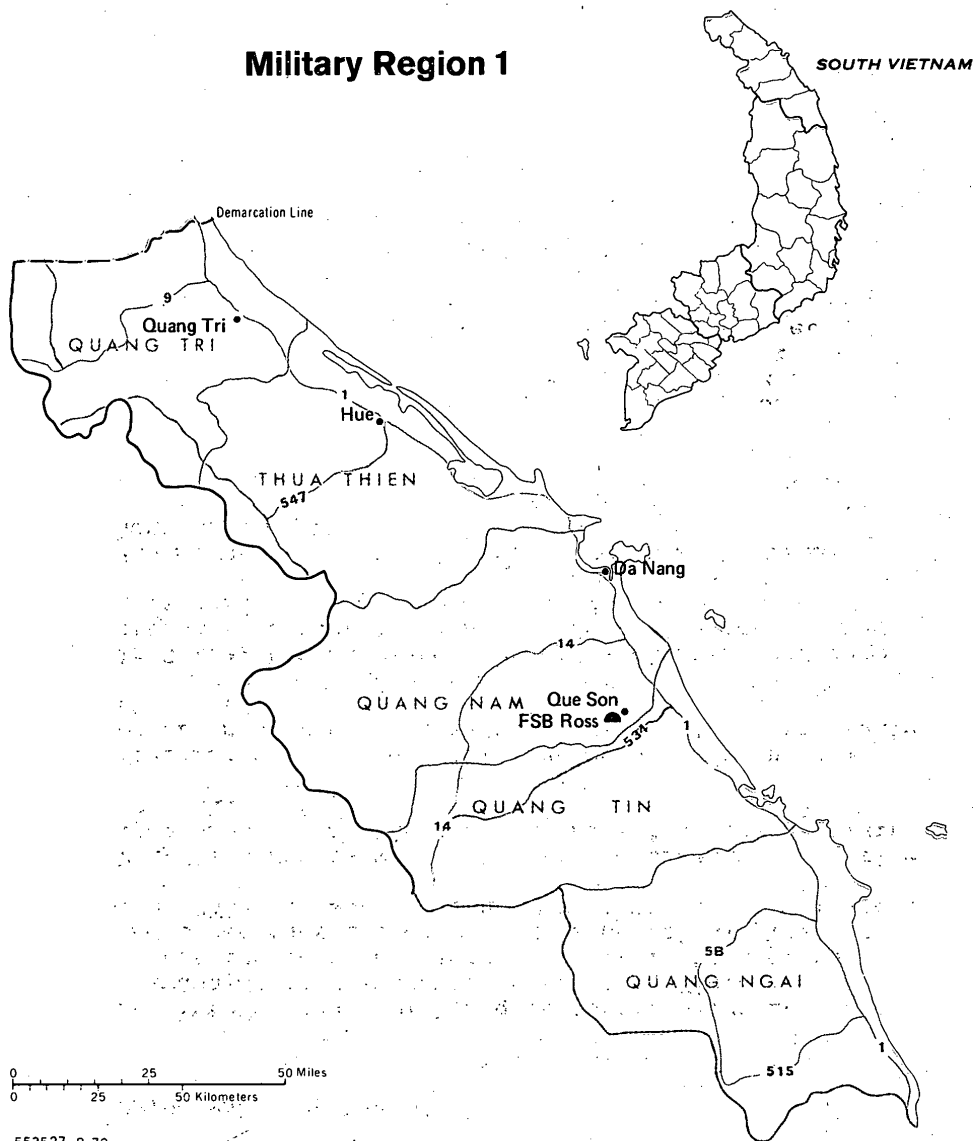
Negotiations in New Delhi made no significant new progress on the basic issues dividing India and Pakistan. (Page 4)

In Chile, Army Commander Prats is advising the opposition to cooperate with President Allende for the time being. (Page 5)

Panama may take its efforts to reclaim the Canal Zone to the UN. (Page 7)

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Military Region 1



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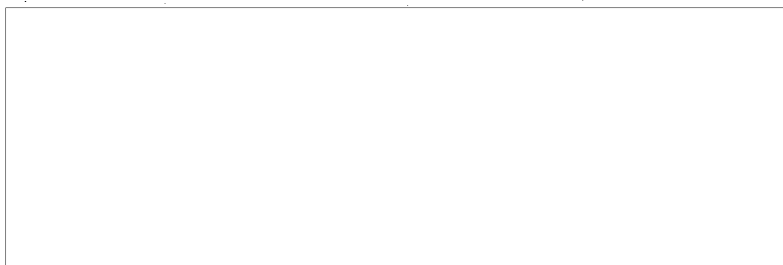
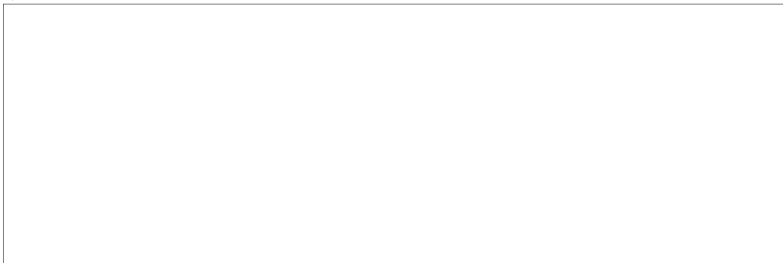
VIETNAM

Sharp fighting is taking place in Quang Tri and Quang Nam provinces as South Vietnamese forces try to regain lost territory. South Vietnamese Marines have been encountering stiff enemy resistance north of Quang Tri City, and Airborne troops reported a number of clashes to the south. Enemy gunners continue to pump thousands of artillery and mortar rounds into government positions, and additional enemy armor has been spotted moving south toward the city.

A government ranger battalion is holding on in the district town of Que Son, and other South Vietnamese units are conducting limited clearing operations south of Fire Support Base Ross. New enemy attacks in the coastal plains of northern Quang Tin Province appear to be an attempt to divert government pressure from Que Son.

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(continued)

North Vietnam: Petroleum Pipeline System



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Satellite photography [] indicates that two of the three petroleum pipelines from China to North Vietnam are operational. Twelve pumping stations have been identified between Dong Dang and Hai Duong, and a bomb-damaged storage area near Kep has been bypassed by new construction. The third pipeline is rapidly nearing completion.

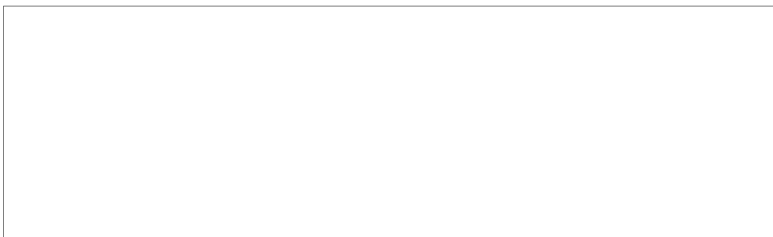
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JAPAN-CHINA

Tokyo's contacts with Peking are increasing in anticipation of Prime Minister Tanaka's forthcoming visit to China. At present, a major Japanese business mission, headed by the president of Nippon Steel, is visiting Peking. Tokyo is hopeful that the mission will be useful in establishing trade policy toward China after normalization of relations.



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INDIA-PAKISTAN

Negotiations in New Delhi made no significant progress on the basic issues. According to the official joint statement, the deadline for mutual troop withdrawals has been extended ten days to 15 September. The Indians, who would have given up a far greater area, decided against withdrawing pending progress on other issues. The Pakistanis had no means of forcing the Indians to meet the original deadline. The statement, however, does indicate agreement on lesser issues. The Pakistanis, for instance, promised that once withdrawals took place they would take no retribution against Pakistani citizens, mainly Hindus, who remained in the Indian-occupied territory or fled to India during the war.

The official statement mentions neither Pakistan's refusal to recognize Bangladesh nor New Delhi's refusal to repatriate the Pakistani prisoners of war without Dacca's approval. These two issues are primarily responsible for the latest impasse, and almost certainly will continue to block progress toward agreement.

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CHILE

Last week [redacted] Chilean troop commanders were seeking an appointment with Army Commander Prats to discuss the country's political problems. [redacted]

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[redacted] some of General Prats' views. [redacted] Prats recently said that opposition leaders must work with President Allende to solve Chile's problems. Prats noted that Allende is deeply concerned over the political situation and has expressed a fear that his friends are more dangerous to him than his enemies. The General offered his view, however, that Allende will be able to work things out.

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[redacted]

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[redacted] *He is a key figure in the military, and it is doubtful that other service chiefs would take any significant action without his support.*

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PANAMA

[redacted] Foreign Minister Tack, who has consistently taken a tough position on the canal dispute, is preparing a speech for delivery to the UN in late September that will review his country's efforts to reclaim the Canal Zone from the US. Tack wants to ask the UN to support a unilateral nullification of the 1903 canal treaty and to help restore Panamanian sovereignty over the Zone.

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General Torrijos may be considering a surprise announcement of his own. [redacted]

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[redacted] on 11 October, the fourth anniversary of his seizure of power, Torrijos will declare US sovereign rights in the Zone null and void and threaten to break off the negotiations on a new

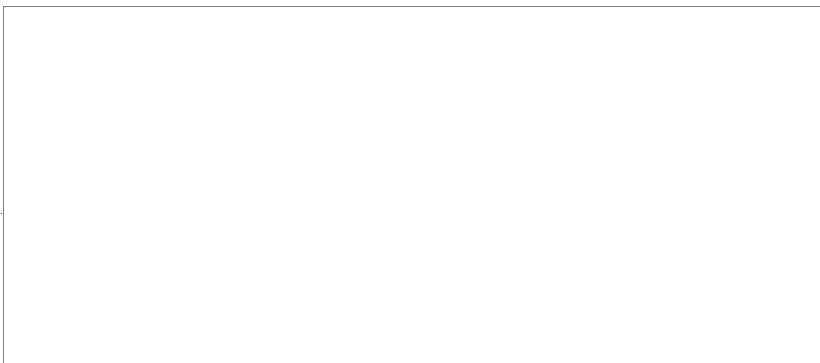
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Torrijos has made similar threats in the past but has backed down. He has also restrained Tack when the latter has proposed drastic action. Torrijos has been seeking some unilateral concession that could be presented to the Panamanian public as evidence of American good will and proof of his ability to deal effectively with the US. He apparently believes that he can force the US to make additional concessions on a new treaty by drumming up wider international support. Even so, he will likely wait to see what concessions are forthcoming before deciding to report to the UN.

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NOTES



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Argentina-Chile: Buenos Aires has expressed "deep displeasure" at Chilean President Allende's decision to send to Cuba the ten escaped Argentine terrorists who hijacked an airliner to Santiago two weeks ago.

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the recall of the Argentine ambassador to Chile was only the first step in retaliation. He said that Argentina intends to "tighten the screws" on Chile and hinted at economic sanctions. Argentina is an important supplier of meat and grain to Chile, where shortages have led to some belt tightening in recent months.

USSR-Japan: The Soviets have formally indicated their willingness to begin peace treaty negotiations with Japan at "a sufficiently high level" in Moscow at any time. Preparatory negotiations on the treaty talks had been scheduled to begin in September, but

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the latest Soviet initiative has made these negotiations unnecessary. The Tanaka government is hesitant to enter into talks without a clear prospect of success. The Japanese are still uncertain about how the Soviets will handle Japan's demand for the return of the Northern Territories--the four islands seized by the USSR after World War II--once peace treaty negotiations begin. Tokyo plans to do some further probing of Soviet attitudes when a Japanese parliamentary delegation visits Moscow in early September.

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